

GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE SUPPLEMENTAL LEASE AGREEMENT	SUPPLEMENTAL AGREEMENT No. 1	DATE <u>10/21/2010</u>
TO LEASE NO. GS-09B-02582		
ADDRESS OF PREMISES: 606 S. Olive Street Los Angeles, CA 90014		
<p>THIS AGREEMENT, made and entered into this date by and between: 606 Olive LLC</p> <p>whose address is: 606 S. Olive Street, Suite 1010 Los Angeles, CA 90014</p> <p>hereinafter called the Lessor, and the UNITED STATES OF AMERICA, hereinafter called the Government:</p> <p>WHEREAS, the parties hereto desire to amend the above Lease.</p> <p>NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended <u>effective upon execution by the Government</u>, as follows:</p> <p>Supplemental Lease Agreement (SLA) No. 1 is to acquire Block B with tenant improvements. In this regard, paragraph 1, 2, 3 and 9 are deleted in their entirety and the following substitute therefore, and Paragraph 15 is added to GSA Lease No. GS-09B-02582 as follows:</p> <p>1. The Lessor hereby leases to the Government the following described premises:</p> <p>Block A: 33,020 rentable square feet (rsf), yielding approximately 27,983 ANSI/BOMA Office Area square feet and related space located on the 4th, 7th and 8th Floors at 606 South Olive Street, Los Angeles, CA 90014, together with 2 reserved parking spaces, as depicted on the attached Floor Plans (Exhibit A) (the "Premises"), to be used for SUCH PURPOSES AS DETERMINED BY THE GENERAL SERVICES ADMINISTRATION.</p> <p>Block B: 9,451 rentable square feet (rsf), yielding approximately 8,009 ANSI/BOMA Office Area square feet and related space located on the 19th Floor at 606 South Olive Street, Los Angeles, CA 90014, to be used for SUCH PURPOSES AS DETERMINED BY THE GENERAL SERVICES ADMINISTRATION.</p> <p>The total square feet to be occupied by the Government is 42,471 rentable square feet (rsf) yielding approximately 35,992 ANSI/BOMA Office Area square feet and related space.</p> <p>Continued on attached sheet.</p> <p>All other terms and conditions of the lease shall remain in force and effect.</p>		
<p>IN WITNESS WHEREOF, the parties subscribed their names as of the above date.</p> <p>LESSOR: 606 Olive LLC</p> <p>BY <u>[Signature]</u> <u>Managing Member</u> (Signature) (Title)</p> <p>IN THE PRESENCE OF (witnessed by):</p> <p><u>[Signature]</u> <u>606 S. Olive St., Suite 1010, LA, CA 90014</u> (Signature) (Address)</p> <p>UNITED STATES OF AMERICA, General Services Administration, Public Buildings Service</p> <p>BY <u>[Signature]</u> <u>Contracting Officer</u> (Signature) GSA, PBS, RED</p>		

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2. TO HAVE AND TO HOLD the said Premises with their appurtenances for the term as follows:

Block A: April 23, 2010 through April 22, 2016.

Block B: Effective upon completion and Government acceptance of the space through April 22, 2016

3. The Government shall pay the Lessor annual rent as follows:

Block A:

April 23, 2010 through April 22, 2013, annual rent of \$1,008,761.00 at the rate of \$84,063.42 per months in arrears.

April 23, 2013 through April 22, 2016, annual rent of \$1,107,821.00 at the rate of \$92,318.42 per month in arrears.

Block B:

Effective upon completion and Government acceptance of the space through April 22, 2013, annual rent of \$286,255.50 at the rate of \$24,021.29 per months in arrears.

April 23, 2013 through April 22, 2016, annual rent of \$316,608.50 at the rate of \$26,384.04 per month in arrears.

The Annual Rent for Block B will be adjusted upon the completion and acceptance of tenant improvements by the Government to include the amortized Tenant Improvement Allowance.

Rent for a lesser period shall be prorated. Rent checks shall be payable to:

606 Olive LLC
606 South Olive, Suite 1010
Los Angeles, CA 90014

9. Operating Cost: The base operating cost for Blocks A and B is established at \$7.52 per rentable square foot per annum. There are no CPI adjustments associated with this lease.

15. Block B: Tenant Improvement Included in Offer

- A. The Tenant Improvement Allowance is \$46.29 per ANSI/BOMA Office Area square foot. (Tenant improvements are the finishes and fixtures that typically take space from the "shell" condition to a finished, usable condition.) The Tenant Improvement Allowance shall be used for the buildout of the Government-demised area in accordance with the Government-approved design intent drawings. All Tenant Improvements required by the Government for occupancy shall be performed by the successful Offeror as part of the rental consideration, and all improvements shall meet the quality standards and requirements of this solicitation and its attachments.
- B. The Tenant Improvement Allowance shall include all the Offeror's administrative costs, general contractor fees, subcontractor's profit and overhead costs, Offeror's profit and overhead, design costs, and other associated project fees necessary to prepare construction documents and to complete the tenant improvements. It is the successful Offeror's responsibility to prepare all documentation (working/construction drawings, etc.) required to receive construction permits. **NO COSTS ASSOCIATED WITH THE BUILDING SHELL SHALL BE INCLUDED IN THE TENANT IMPROVEMENT PRICING.**

The total tenant improvement allowance is \$370,755.83. The tenant improvement allowance shall be amortized beginning on the day the space is accepted by the Government through April 22, 2016 at an interest rate of 8% per year.

16. CONSTRUCTION SCHEDULE AND ACCEPTANCE OF TENANT IMPROVEMENTS (MAR 2007)

- A. The construction schedule shall commence upon lease award, unless otherwise expressly agreed by the Lessor and Government as stated in the lease. The schedule shall be divided into seven tasks for each phase. These are: 1) the generation of the design intent drawings; 2) the Government's approval of the design intent drawings; 3) the Lessor's generation of the Government's construction documents; 4) the Government's review of the construction documents; 5) the TI submittal, review and Notice to Proceed (NTP) process; 6) the Lessor's construction of the subject leased area; and 7) the Government's acceptance of the Lessor's construction. Each of these tasks is detailed below. References to "approval" shall mean such approval granted by the GSA Contracting Officer. During the construction schedule, the Government may request regularly scheduled progress meetings and request that the Lessor keep meeting minutes of discussion topics and attendance. During design and construction, the Lessor may discover instances where the Government's directives conflict. In such cases, the Lessor shall immediately notify the GSA Contracting Officer so that the Government may issue a determination as to how to proceed beyond the building shell.

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B. WORKING/CONSTRUCTION DRAWINGS:

The Lessor shall prepare, as part of the Tenant Improvement Allowance, final working/construction drawings for the improvements illustrated on the Government-approved design intent drawings. The working/construction drawings shall include all mechanical, electrical, plumbing, fire safety, lighting, structural, and architectural improvements scheduled for inclusion into the Government-demised area. Working/construction drawings shall also be annotated with all applicable specifications. The resulting product shall reflect requirements which are substantially the same as that specified by the Government-approved design intent drawings and shall incorporate neither extraneous additions nor deletions of requirements. The Lessor's working/construction drawings shall be due to the Government within **20 working days** of the Government's approval of the design intent drawings. Working/construction drawings shall clearly identify 1) Tenant Improvements already in place and 2) the work to be done by the Lessor or others.

C. REVIEW OF WORKING/CONSTRUCTION DRAWINGS:

The Government retains the right to review, and request modifications (if necessary) to, the Lessor's construction documents prior to the Lessor's commencement of interior construction. The Government's review of the construction documents is limited to the construction documents' conformance to the specific requirements of the scope of the expansion and to the approved design intent drawings. The Government shall perform all reviews of construction documents within **10 working days** of receipt of such from the Lessor. Should the Government require that modifications be made to the Lessor's construction documents, the Government shall state such in writing to the Lessor, and the Lessor shall have **5 working days** to cure all noted defects before returning the construction documents to the Government for a subsequent review. Upon complete Government review for conformance of the construction documents to the design intent drawings, the Lessor shall obtain the necessary permits. Notwithstanding the Government's review of the construction documents, the Lessor is solely responsible and liable for the technical accuracy of the construction documents in meeting all requirements and provisions of the lease and the Government-approved design intent drawings. The Lessor shall obtain the necessary permits and may commence construction of the shell space.

D. TENANT IMPROVEMENTS PRICE PROPOSAL

Within **10 working days** of Government review for conformance of the construction drawings, the Lessor must submit the written price proposal along with adequate cost and pricing data or the documentation of the competitive proposals (as described in the "Tenant Improvements Pricing Requirements" paragraph in this section) and for any costs or credits to the Government that are beyond the scope of the expansion. Any work shown on the construction documents that is building shell shall be clearly identified and priced as such. After negotiation and acceptance of the Tenant Improvements price, **A NOTICE TO PROCEED SHALL BE TRANSMITTED TO THE LESSOR**, and the Lessor shall commence construction of the Tenant Improvements.

E. CONSTRUCTION OF TENANT IMPROVEMENTS:

The Lessor shall construct all Tenant Improvements in accordance with 1) the Government reviewed working/construction drawings and 2) all terms and conditions of the SFO. The Lessor shall complete Tenant Improvements within **60 working days** of receiving the notice to proceed from the Government. The Lessor shall furnish a detailed construction schedule (such as Critical Path Method) to the Government within 5 days of issuance of the notice to proceed. Such schedule shall also indicate the dates available for the Government contractors to install telephone/data lines or equipment. The Government reserves the right to access any space within the building during the conduct of interior construction for the purposes of performing inspections or for installing Government-furnished equipment. The Government shall coordinate with the Lessor the activity of Government contractors in order to minimize conflicts with, and disruption to, other contractors on site. Access shall not be denied to authorized Government officials including, but not limited to, Government contractors, subcontractors, or consultants acting on behalf of the Government with regard to this project.

F. ACCEPTANCE OF SPACE AND CERTIFICATE OF OCCUPANCY:

15 days prior to the completion of interior construction, the Lessor shall issue written notice to the Government to inspect the space. The Government shall have 10 working days to inspect and to either accept or reject the subject space.

1. Substantially completed space will be accepted by the Government subject to the completion of minor punch list items (see the Definitions paragraph of GSA Form 3517, General Clauses). Space which is not substantially complete will not be accepted by the Government. Should the Government reject the Lessor's space as not substantially complete as defined herein, the Lessor shall immediately undertake remedial action and when ready shall issue a subsequent notice to inspect to the Government.

2. The Lessor shall provide a valid Certificate of Occupancy, issued by the local jurisdiction, for the intended use of the Government and shall maintain and operate the building in conformance with current local codes and ordinances. If the local jurisdiction does not issue Certificates of Occupancy, the Lessor shall obtain the services of a licensed fire protection engineer to verify the offered space meets all applicable local codes and ordinances to ensure an acceptable level of safety is provided.

G. RENT COMMENCEMENT:

The rent commencement date (for each increment) shall be the date that space acceptance is made by the Government. Any rental paid by the Government prior to actual occupancy shall be less the cost for services and utilities. In any event, the Government will not be required to accept space and commence rent prior to the original date as indicated in the Beneficial Occupancy Supplemental Lease Agreement.

H. LEASE COMMENCEMENT:

The Government shall issue GSA Form 276, Supplemental Lease Agreement, to establish the lease commencement date after the acceptance of all space, if different from the date previously established in the lease. In any case, the lease commencement date shall not be prior to the rent commencement date.

Government Initials

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